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the banks and the legislature; the public was, moreover, well served in banking facilities. The author concludes that the safety fund system, as worked out in the State Bank of Ohio, was the best of all. "It gave the very highest satisfaction, and as a system adapted to the needs of the people at the time, was probably one of the best in the country."

This is a careful and painstaking piece of work, and has covered the ground thoroughly. It is, however, almost too much an external history of banks, their number, charters, taxation, legislation, etc. The most valuable part of the study consists of the all too infrequent sections that deal with banking practice. The legislative history is not as important as the description of the banks from an economic point of view, considered as public service institutions. This is more difficult to give than the other, but would be the more gratefully received.

Incidentally, note may be made of the curious method of citing authorities and dates, and the punctuation of the same, in the footnotes.

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Foreign Exchange and Foreign Bills in Theory and in Practice.

By WILLIAM F. SPALDING. (London and New York: Sir Isaac Pitman and Sons, Ltd. 1915. Pp. xii, 216. 5s; \$2.00.)

The author of this book, who is a lecturer on foreign exchange in the City of London College, declares his object to be the presentation in a concise and simple form of the theory and practice of foreign exchange, with special attention to the subject of foreign bills. He writes from the point of view of London as the world's banking center, although giving considerable attention to the abnormal conditions arising out of the present war because of which that center has been shifted temporarily to New York.

The book contains a clear statement of the elementary principles and practices of foreign exchange, and most of the illustrations are of the simple kind that illustrate rather than of the complex kind that confuse—a quality as important as it is rare in modern books on foreign exchange. One merit is the inclusion of two good chapters on the Eastern exchanges; and another merit is a useful description of the various types of bills negotiated in the London money market. The book is stronger on the practical side than on the theoretical. It is in no sense a substitute for

Goschen's *Theory of the Foreign Exchanges*, but is a valuable supplement to that classical work.

A few statements of doubtful accuracy are noted. It is rather strong to say, especially since the events of the last nineteen months: "we can still confidently assert that in England there is an absolutely free gold market" (p. 35). Again, it is not true that "given the short rate [of exchange], we can always find the long rate, and *vice versa*" (p. 47). The gold-exchange standard in any true sense of the word has not been in operation in India "for some twenty years," as the author asserts (p. 123), but its real beginnings can be found only after its formal rejection under the name of "the Lindsay plan" by the Fowler committee in 1898. Considering the large amount of gold in circulation and in the banks of Japan, it is rather far-fetched to say that the currency system of that country resembles India's system (p. 123). There were in circulation, in treasuries and in banks of Japan, at the end of 1913, 140 million yen of gold coin and 122 million yen of gold bullion, as compared with 140 million yen of silver coin and 3½ million yen of silver bullion. The percentage of gold to silver in the Indian circulation, banks, and treasuries is still exceedingly small; the work of maintaining the parity of the rupee with gold resting chiefly on the system of redemption in drafts. There is a false implication in the statement (p. 130) that the sale of Indian council bills after being temporarily suspended in 1893, was later, in 1898, resumed. As a matter of fact, the Secretary of State for India resumed the sale of council bills at market rates the latter part of January, 1894. Exaggerations and slips like these, however, are not common; and for a brief, comprehensive, and elementary treatment of so complicated a subject as foreign exchange, the book, so far as the reviewer can discover, contains very few inaccuracies.

To the American student desirous of familiarizing himself with the workings of the foreign exchange market in the world's greatest foreign exchange center (in normal times), Spalding's book may be strongly recommended.

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NEW BOOKS

ARETZ, P. *Die Entwicklung der Diskontpolitik der Bank von England, 1780-1850.* (Berlin: Heymanns. 1916. Pp. xii, 279. 6 M.)